Fall in Bank Deposits

426. SHRI M. VINCENT:
SHRI MOHINDER SINGH LATHER:
SHRI J. P. JAVALI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that bank deposits have fallen after the introduction of the new scheme of tax deduction at source on interest income; and

(b) if so, what measures Government are adopting to encourage bank deposits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The deposits of All Scheduled Commercial Banks have increased from Rs. 199108 crores as on the last Friday of June, 91 to Rs. 214528 crores as on last Friday of October, 91. It would thus be seen that total deposits in absolute terms have not decreased. The trends in the growth of bank deposits remain under constant review of RBI and Government and corrective steps are taken whenever called for.

Restructuring of Banks

427. SHRI DHULESHWAR MEENA:
SHRI SURESH KALMADI:
SHRI GURUDAS DAS GUPTA:
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether the public sector banking industry is likely to be restructed from the existing 20 independent banks into just about 10 banks;

(b) if so, what are the broad features of the revamping plan and the reasons therefor;

(c) what are the recommendations of the Narasimhan Committee on reforms of the financial sector or the restructing of the public sector banking industry;

(d) the steps Government propose to take to rehabilitate and rationalise the operations of the weaker banks; and

(e) whether this plan envisages any improvement in the customer service also; if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (e) A High Level Committee was constituted by the Government under the Chairmanship of Shri M. Narasimham to examine all aspects relating to the structure, organisation, functions and procedure of the financial system. The terms of reference of the Committee included examination of the existing structure of the financial system and its various components and to make recommendations for improving the efficiency and effectiveness of the system. The Committee has submitted its report to the Government on 30-11-1991. The report of the Committee will be processed in consultation with Reserve Bank of India and other concerned agencies.

Effect of loan waiver scheme on Nationalised Banks

428. SHRI DHULESHWAR MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether the banking industry is stuck with Rs. 8000 crores Agricultural and Rural Debt Relief (ARDR)